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Programme budget for the biennium 2002-2003

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Salary and retirement allowance of the Secretary-General and salary and pensionable remuneration of the Administrator of the United Nations Development Programme

Twenty-sixth report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions was informed that the current salaries of the Secretary-General and the Administrator of the United Nations Development Programme (UNDP) are as follows:

	Gross salary	*Net salary*	*Post adjustment*	*Net remuneration*
		(United States dollars)		
Secretary-General	269 194	177 100	81 997	259 097
Administrator of UNDP	213 892	142 813	66 122	208 935

2. The Secretary-General and the Administrator of UNDP also receive representation allowances of $25,000 and $10,000, respectively.

3. The Advisory Committee recalls that the last comprehensive review of the salary and retirement allowance of the Secretary-General and the Administrator of UNDP was undertaken in 1990 during the forty-fifth session of the General Assembly. The Assembly, in its resolution 45/251 of 21 December 1990, concurred with the recommendations made by the Advisory Committee in its report (A/45/7/Add.12). In its resolution 52/225 of 4 February 1998, the General Assembly also approved the recommendations of the Advisory Committee on the salary and retirement allowances of the Secretary-General and the salary and pensionable remuneration of the Administrator of UNDP (A/52/7/Add.8) resulting from the changes approved in Assembly resolution 51/216 of 18 December 1996 in relation to the salaries of staff in the Professional and higher categories.

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4. The Advisory Committee also notes that, within the terms of resolution 45/251, the retirement allowance of the Secretary-General is set at an amount equivalent to 50 per cent of the recommended net remuneration (net base salary plus post adjustment) and that it is adjusted by the application of the same procedure and percentage used for adjusting the scale of pensionable remuneration for staff in the Professional and higher categories. The Committee was informed that the retirement benefit of the Secretary-General currently amounts to $129,548.

5. With regard to the pensionable remuneration of the Administrator of UNDP, the Committee recalls that it is revised between comprehensive reviews by application of the same adjustment procedure and percentage increase applied to the scale of pensionable remuneration in effect for staff in the Professional and higher categories. The pensionable remuneration of the Professional and higher category of staff was last revised effective 1 November 2002, as is routinely done whenever there is an adjustment in the net remuneration amounts (base salary plus post adjustment) of staff in the Professional and higher categories in New York. The Committee was informed that the pensionable remuneration of the Administrator of UNDP currently amounts to $251,827.

6. The General Assembly, in its resolution 57/285 of 20 December 2002, approved differentiated salary increases in the salary scale for staff in the Professional and higher categories, resulting from the range of salaries falling below the desired mid-point of 115 within the 110 to 120 band for certain categories and/or grades. Effective 1 January 2003, the increases approved were as follows: 1.3 per cent for P-4, 2.6 per cent for P-5, 9.1 per cent for D-1 and 6.3 per cent for D-2 and above.

7. Accordingly, if the approved increase of 6.3 per cent were applied to the net remuneration of the Secretary-General and that of the Administrator of UNDP, effective 1 January 2003, their salaries would be as follows:

	Gross salary	*Net salary*	*Post adjustment*	*Net remuneration*
		(United States dollars)		
Secretary-General	287 189	188 257	87 163	275 420
Administrator of UNDP	228 403	151 810	70 288	222 098

8. On this basis, and as a result of the increase in pensionable remuneration for staff in the Professional and higher categories, effective 1 January 2003, promulgated by the International Civil Service Commission, the retirement benefit of the Secretary-General should increase from $129,548 to $137,710, effective as of the same date. In addition, the pensionable remuneration of the Administrator of UNDP should increase from $251,827 to $267,692 as of the same date.

9. Taking into account the observations above, the Advisory Committee recommends that the revised salary and retirement allowance of the Secretary-General and the revised salary and pensionable remuneration of the Administrator of UNDP be made, effective 1 January 2003.

10. Furthermore, the Advisory Committee was informed that, since the salary of the Administrator of UNDP moves in tandem with the salary scale of staff in the Professional and higher categories, including in those cases when a change in the

scale results from consolidating post adjustment points into base/floor salary scales, this leads to more frequent changes than was the case before the revised approved methodology. In order to alleviate the need for frequent changes in annex I of the Staff Regulations, the Advisory Committee proposes to amend the text of the annex by deleting that last sentence in paragraph 1, which currently indicates the exact gross salary figure for the Administrator. This would avoid recurrent inconsistencies between the amount specified in the text and the amount resulting from the application of the revised methodology.

11. The financial implications of the recommendations made in the preceding paragraphs are as follows:

(a) **Gross salary.** The change in the gross salary of the Secretary-General would result in an increase of expenditure of staff assessment under section 32 of the programme budget for the biennium 2002-2003 estimated at $18,000, offset by an equivalent amount under Income section 1, Income from staff assessment;

(b) **Net salary.** Should the total net salary of the Secretary-General (net base salary plus post adjustment) be increased, there would be an increase in expenditure under section 1 of the programme budget for the biennium 2002-2003 estimated at $16,400;

(c) **Retirement allowance.** The consequential increases in the maximum retirement allowance for the three former Secretaries-General would result in a total additional cost under section 30, Special expenses, of the programme budget for the biennium 2002-2003, estimated at $24,900 at the rate of $8,300 per former Secretary-General for 2003.

12. The Advisory Committee was informed that, should the General Assembly approve the proposals outlined above, the Secretariat would reflect the changes involved in the context of the second performance report for the biennium 2002-2003.

13. A draft resolution embodying the Advisory Committee's recommendations is annexed to the present report.

Annex

Draft resolution

Salary and retirement allowance of the Secretary-General and salary and pensionable remuneration of the Administrator of the United Nations Development Programme

The General Assembly,

Having considered the report of the Advisory Committee on Administrative and Budgetary Questions,[1]

1. *Concurs* with the recommendation of the Advisory Committee on Administrative and Budgetary Questions concerning the salary and retirement allowance of the Secretary-General contained in paragraph 9 of its report;

2. *Also concurs* with the recommendation of the Advisory Committee concerning the salary and pensionable remuneration of the Administrator of the United Nations Development Programme contained in paragraph 9 of its report;

3. *Approves* the amendment to paragraph 1 of annex I in the Staff Regulations of the United Nations with effect from 1 January 2003, as set forth in the annex to the present resolution.

Annex

Amendment to paragraph 1 of annex I to the Staff Regulations of the United Nations

In paragraph 1, the last sentence, "With effect from January 1998, the Administrator shall receive a gross salary of United States $175,344 per annum", should be deleted.

[1] A/57/7/Add.25.